Michael J. Gearin, WSBA # 20982 Honorable Timothy W. Dore 1 Brian T. Peterson, WSBA # 42088 Chapter 7 Ruby A. Nagamine, WSBA #55620 Hearing Location: Seattle, Rm. 8106 2 Hearing Date: February 23, 2024 K&L GATES LLP 925 Fourth Avenue, Suite 2900 Hearing Time: 9:30 a.m. 3 Seattle, WA 98104-1158 Response Date: February 16, 2024 (206) 623-7580 4 5 6 UNITED STATES BANKRUPTCY COURT 7 WESTERN DISTRICT OF WASHINGTON 8 AT SEATTLE 9 In re: Case No. 23-10117-TWD 10 WIRELESS ADVOCATES, LLC CHAPTER 7 TRUSTEE'S FIFTH MOTION FOR ENTRY OF AN ORDER, 11 Debtor. **PURSUANT TO 11 U.S.C. § 365(d),** 12 EXTENDING TIME TO ASSUME OR REJECT EXECUTORY CONTRACTS 13 14 Virginia Burdette, Chapter 7 Trustee (the "Trustee") for Wireless Advocates, LLC (the 15 "Debtor"), files this fifth motion (the "Motion") seeking the entry of an Order, pursuant to 11 U.S.C. § 365(d), extending the Trustee's time to assume or reject certain executory contracts of the Debtor 16 17 from January 31, 2024 through and including April 15, 2024, and for such other, further relief as the 18 Court may deem just and proper, and respectfully sets forth and represents as follows: 19 BACKGROUND 20 1. The Debtor was a provider of wireless products and services both online and in retail 21 locations. The Debtor's business included selling phones and services for AT&T, T-Mobile, and 22 Verizon via kiosks in retail locations, such as Costco, and on military bases at various locations across 23 the country. 24 2. On January 23, 2023, certain petitioning creditors filed an involuntary bankruptcy 25 petition against the Debtor under chapter 7 of the Bankruptcy Code.

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EXECUTORY CONTRACTS - 1

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ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. §

365(d), EXTENDING TIME TO ASSUME OR REJECT

On February 27, 2023, an order for relief was entered, Dkt. No. 91, and the Trustee was

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¹ On August 22, 2023, the Court granted the Trustee's motion to assume and assign the UKG Inc. contract, Dkt. 321. CHAPTER 7 TRUSTEE'S FIFTH MOTION FOR ENTRY OF AN ORDER, PURSUANT TO 11 U.S.C. § 365(d), EXTENDING TIME TO ASSUME OR REJECT

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appointed as the trustee of the Debtor's estate pursuant to Section 701 of the Bankruptcy Code, Dkt. No. 92.

- 4. On May 17, 2023, the Court entered an Order Granting Chapter 7 Trustee's Motion for Entry of an Order, Pursuant to 11 U.S.C § 365(d), Extending Time to Assume or Reject Executory Contracts Through and Including July 31, 2023, Dkt. 236.
- 5. On August 22, 2023, the Court entered an Order Granting Chapter 7 Trustee's Second Motion for Entry of an Order, Pursuant to 11 U.S.C. § 365(d), Extending Time to Assume or Reject Executory Contracts Through and Including September 15, 2023, Dkt. 322.
- 6. On October 17, 2023, the Court entered an Order Granting Chapter 7 Trustee's Third Motion for Entry of an Order, Pursuant to 11 U.S.C. § 365(d), Extending Time to Assume or Reject Executory Contracts Through and Including November 30, 2023, Dkt. 350.
- On January 3, 2024, the Court entered an Order Granting Chapter 7 Trustee's Fourth Motion for Entry of an Order, Pursuant to 11 U.S.C. § 365(d), Extending Time to Assume or Reject Executory Contracts Through and Including January 31, 2024. Dkt. 430.
- 8. As of the Petition Date, the Debtor was party to more than 160 executory contracts, including software licenses, insurance agreements, and agreements related to employee benefits, among others.
 - 9. The Receiver rejected 76 executory contracts by motion filed in the Receivership Case.
- 10. The Trustee has reviewed executory contracts, and has identified certain contracts that may be beneficial to the administration of the estate. The Trustee has engaged in negotiations regarding the assumption and assumption and assignment of certain contracts. The Trustee has filed a motion to assume and assign one such contract already. 1
- 11. While the Trustee has been working diligently to review and analyze executory contracts, there are a few contracts for which she requires additional time to determine whether assumption or rejection is in the best interest of the estate. The contracts that remain subject to the

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Trustee's review principally relate to the Debtor's IT infrastructure and the Trustee's ongoing efforts to preserve the Debtor's business records. The Debtor's records and those of its affiliate Car Toys, Inc. ("Car Toys") are maintained on jointly held systems. The unwinding of those systems has proved difficult. The Trustee continues to work with Car Toys on a means to preserve business records and access to them for the estate and certain of the executory contracts are important to those efforts.

- 12. Specifically, the Trustee requires additional time to analyze the executory contracts identified on the attached Exhibit A ("Executory Contracts").²
- 13. By this Motion, the Trustee respectfully requests the entry of an order pursuant to 11 U.S.C. § 365(d) extending the deadline to assume or reject the Executory Contracts identified in Exhibit A through and including April 15, 2024.

EVIDENCE RELIED UPON

This Motion relies on the arguments set forth herein, the Declaration of Virginia Burdette filed in support of the Motion, the pleadings and records on file in this case, and the arguments of counsel, if any.

ARGUMENT

In recognition that the initial sixty (60) day period under 11 U.S.C. § 365(d) often imposes upon a Trustee an unrealistic and burdensome deadline, the statute gives the Court latitude to extend such period "for cause." 11 U.S.C. § 365(d); see also In re Point Center Fin., Inc., 957 F.3d 990, 1000 (9th Cir. 2020) ("Section 365(d)(1) permits the bankruptcy court to grant a trustee 'additional time ... for cause" to assume or reject executory contracts). As long as the motion to extend is made within the initial 60-day period to assume or reject executory contracts, the court may, if cause is found, grant the motion after the 60-day period. See In re Southwest Aircraft Servs, Inc., 831 F.2d 848, 853 (9th Cir. 1987) ("we hold that if cause for an extension arises within the 60-day period and a motion for an extension is made within that period, a bankruptcy court may, even after the 60-day period has expired,

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² Some of the executory contracts have been prepaid or otherwise performed and the Trustee reserves all rights with respect to whether such contracts remain executory. The inclusion or exclusion of a contract on Exhibit A is not an admission or concession that such contract is executory within the meaning of § 365 of the Bankruptcy Code.

consider the debtor's motion and, if it finds there was sufficient cause at the time the motion was filed, grant the requested extension.").

Here, cause exists to extend the time for the Trustee to assume or reject the Executory Contracts. The Trustee has worked diligently to analyze the Debtor's more than 160 executory contracts, but requires additional time to analyze the few Executory Contracts identified in Exhibit A to determine which may have value and which can be rejected in an appropriate manner. The Executory Contracts principally relate to the Debtor's IT infrastructure. The Trustee has continued to work to preserve the Debtor's business records and maintain access to records that are essential to the administration of the estate. The Trustee efforts have been complicated, however, by the comingling of the Debtor's records and the records of its affiliate, Car Toys. The Trustee is working to resolve these issues, and certain of the Executory Contracts may be necessary to the Trustee's preservation and access efforts. An extension of time to assume or reject the Executory Contracts will protect and preserve the estate's assets.

CONCLUSION

Based on the foregoing, the Trustee respectfully requests the entry of an Order, pursuant to Bankruptcy Code sections 365(d)(1), extending the time to assume or reject the Executory Contracts identified in Exhibit A through and including April 15, 2024 and for such other, further and different relief as this Court may deem just and proper.

Dated this 30th day of January, 2024.

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EXHIBIT A

1	DIGITAL FORTRESS	IT
2	MICROSOFT - AZURE CLOUD SERVICES	IT
3	MICROSOFT ENTERPRISE AGREEMENT (EA)	IT
4	MICROSOFT SERVER CLOUD ENROLLMENT	IT
	(SCE)	
5	PALO ALTO	IT
6	VM WARE	IT
7	CISCO (SUPPORT)	IT
8	QUEST	IT

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CERTIFICATE OF SERVICE

The undersigned declares as follows:

That she is a practice assistant in the law firm of K&L Gates LLP, and on January 30, 2024, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

Executed on the 30th day of January, 2024 at Seattle, Washington.

<u>/s/ Chloe Morse</u> Chloe Morse

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